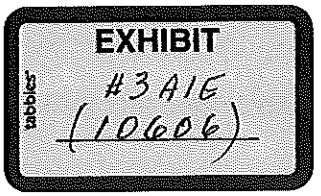


DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
NUCLEAR PLANT PERFORMANCE
CAPACITY FACTOR 4/03 - 3/04

1	Nuclear System Actual Net Generation During Test Period	55,097,199	MWH
2	Total Number of Hours During Test Period	8,784	
3	Nuclear System MDC During Test Period	6,996.0	MW
4	Reasonable Nuclear System Reductions	7,636,100	MWH
5	Nuclear System Capacity Factor $\left[\frac{1}{((2*3)-4)}\right]*100$	102.38	%

DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
NUCLEAR PLANT PERFORMANCE

Nuclear Outages Lasting One Week Or More - Current Period

Unit	Date of Outage	Explanation of Outage
Oconee 1	09/20/03-01/06/04	Scheduled Refueling - EOC 21/Steam Generator Replacement Outage
Oconee 3	04/26/03-06/17/03	Scheduled Refueling - EOC 20
McGuire 1	03/06/04-04/01/04	Scheduled Refueling - EOC 16
McGuire 2	09/05/03-10/06/03	Scheduled Refueling - EOC 15
Catawba 1	08/29/03-09/09/03	Automatic trip was initiated due to resistance temperture detector tripped by failure of pressurizer channel 2 failing low
Catawba 1	11/08/03-01/01/04	Scheduled Refueling - EOC 14/Generator Rewind Outage

HAGER EXHIBIT 1
PAGE 2 OF 3

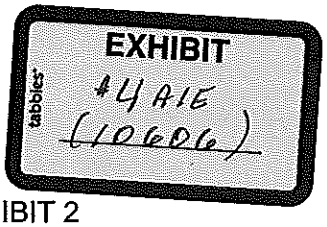
DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
NUCLEAR PLANT PERFORMANCE

Nuclear Outages Lasting One Week Or More - Forecast Period

Unit	Date of Outage	Explanation of Outage
Oconee 1	04/09/05-05/05/05	Scheduled Refueling - EOC 22
Oconee 2 (a)	03/31/04-06/09/04	Scheduled Refueling - EOC 20
Oconee 3 (b)	10/09/04-01/01/05	Scheduled Refueling - EOC 21
McGuire 2	03/05/05-04/05/05	Scheduled Refueling - EOC 16
Catawba 1	05/07/05-06/01/05	Scheduled Refueling - EOC 15
Catawba 2	09/11/04-10/24/04	Scheduled Refueling - EOC 13

(a) Note: Includes steam generator replacement and reactor vessel head work
(b) Note: Includes steam generator replacement

HAGER EXHIBIT 1
PAGE 3 OF 3



HAGER EXHIBIT 2

NUCLEAR FUEL PURCHASES
APRIL 2003 - MARCH 2004

URANIUM

Pounds Purchased	4,727,134
Avg. Price/Pound	$11.22

NUCLEAR FUEL INVENTORY

	03/31/03	03/31/04
URANIUM (POUNDS)	2,252,746	1,797,723

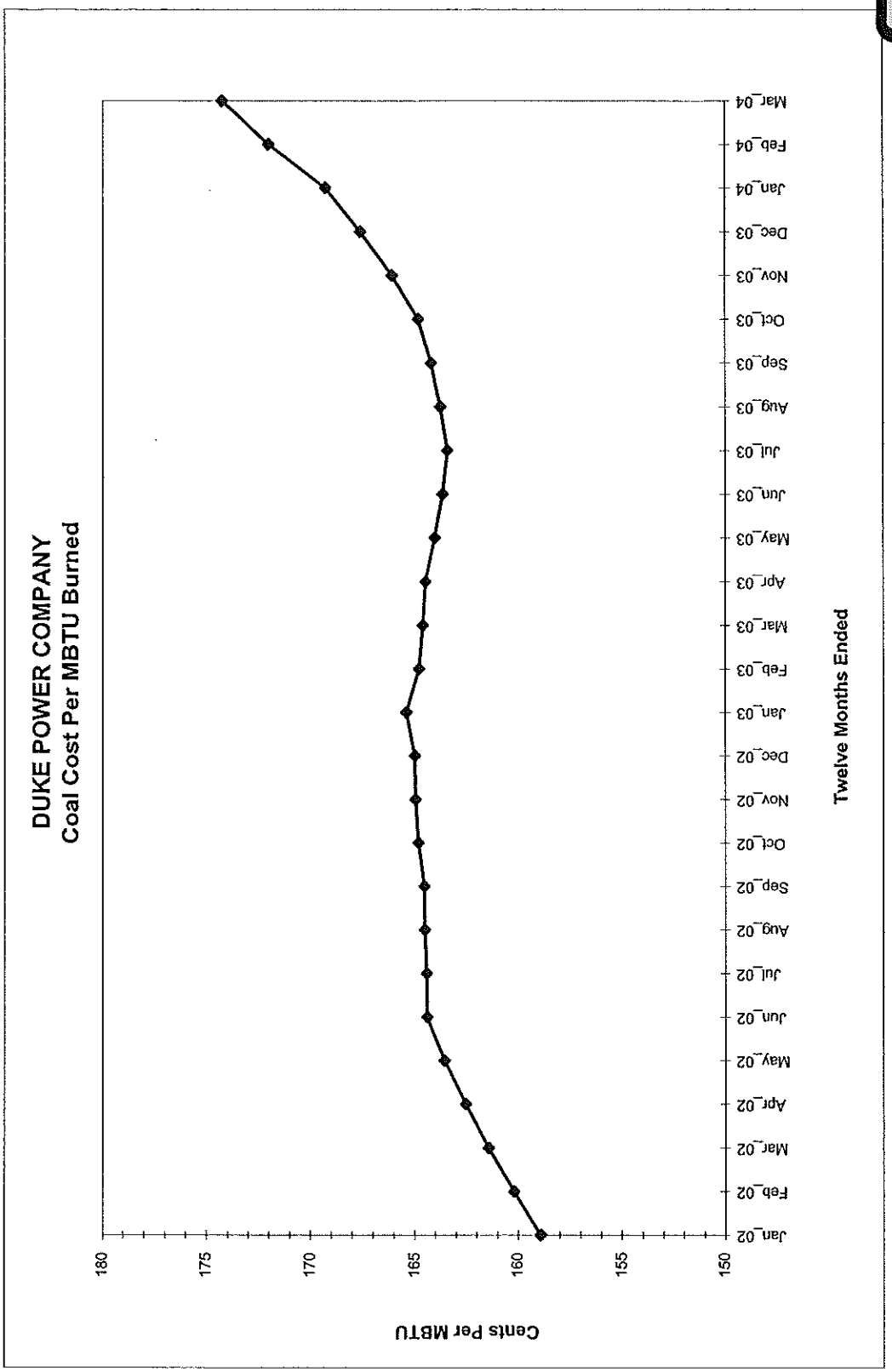
DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
TOTAL COMPANY FUEL COST
$000

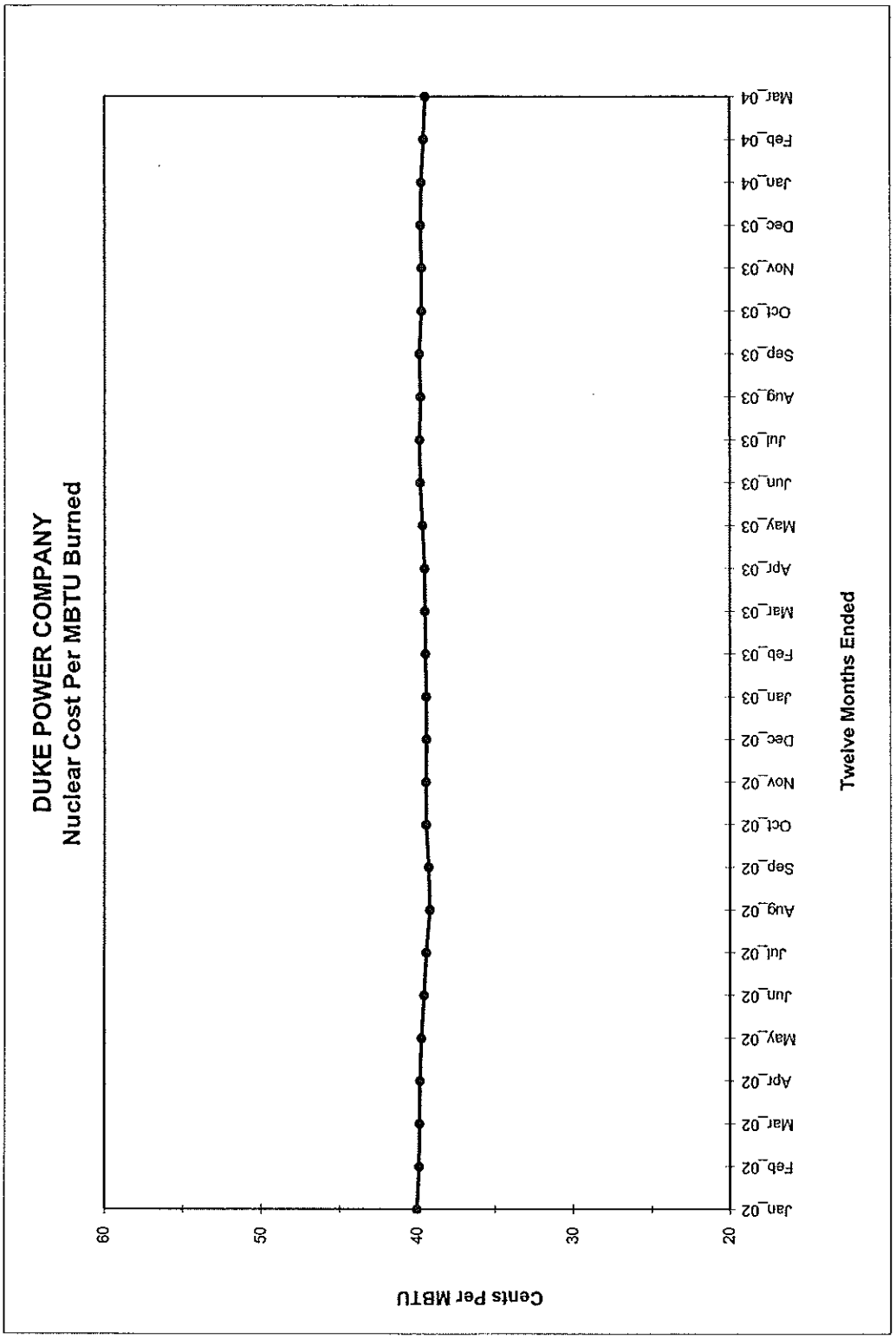
HAGER EXHIBIT 3

Line No.	Description	Mo. Avg. 12Mo. 3/03	April 2003	May 2003	June 2003	July 2003	Aug. 2003	Sept. 2003	Oct. 2003	Nov. 2003	Dec. 2003	Jan. 2004	Feb. 2004	March 2004	Mo. Avg. 12Mo. 3/04
1	Coal	$58,888	$40,472	$44,309	$53,719	$60,379	$71,199	$66,667	$53,837	$59,016	$70,355	$74,951	$72,689	$67,920	$61,293
2	Emission Allowance Exp.	$1,044	$403	$441	$512	$599	$662	$622	$493	$536	$638	$306	$868	$808	$574
3	Oil	1,055	1,088	967	986	1,799	399	239	364	659	313	1,768	736	1,688	917
4	Gas	1,040	933	(12)	55	144	30	50	(15)	102	0	3	2	7	108
5	Nuclear	14,232	14,489	13,517	13,856	15,842	14,942	10,581	11,964	12,082	12,428	14,184	13,839	11,106	13,236
6	Total	$76,259	$57,385	$59,222	$69,128	$78,763	$87,232	$78,159	$66,643	$72,395	$83,734	$91,212	$88,134	$81,529	$76,128
7	MWH Gen.	7,333,020	6,111,352	6,093,013	6,744,033	7,591,946	8,037,886	6,664,374	6,253,845	6,486,281	7,360,673	7,997,286	7,708,951	6,768,067	6,984,809

HAGER EXHIBIT 3

EXHIBIT
#6 AIE
(10606)




DUKE POWER COMPANY
Nuclear Cost Per MBTU Burned
Cents Per MBTU
60
50
40
30
20
Twelve Months Ended
Jan_02
Feb_02
Mar_02
Apr_02
May_02
Jun_02
Jul_02
Aug_02
Sep_02
Oct_02
Nov_02
Dec_02
Jan_03
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May_03
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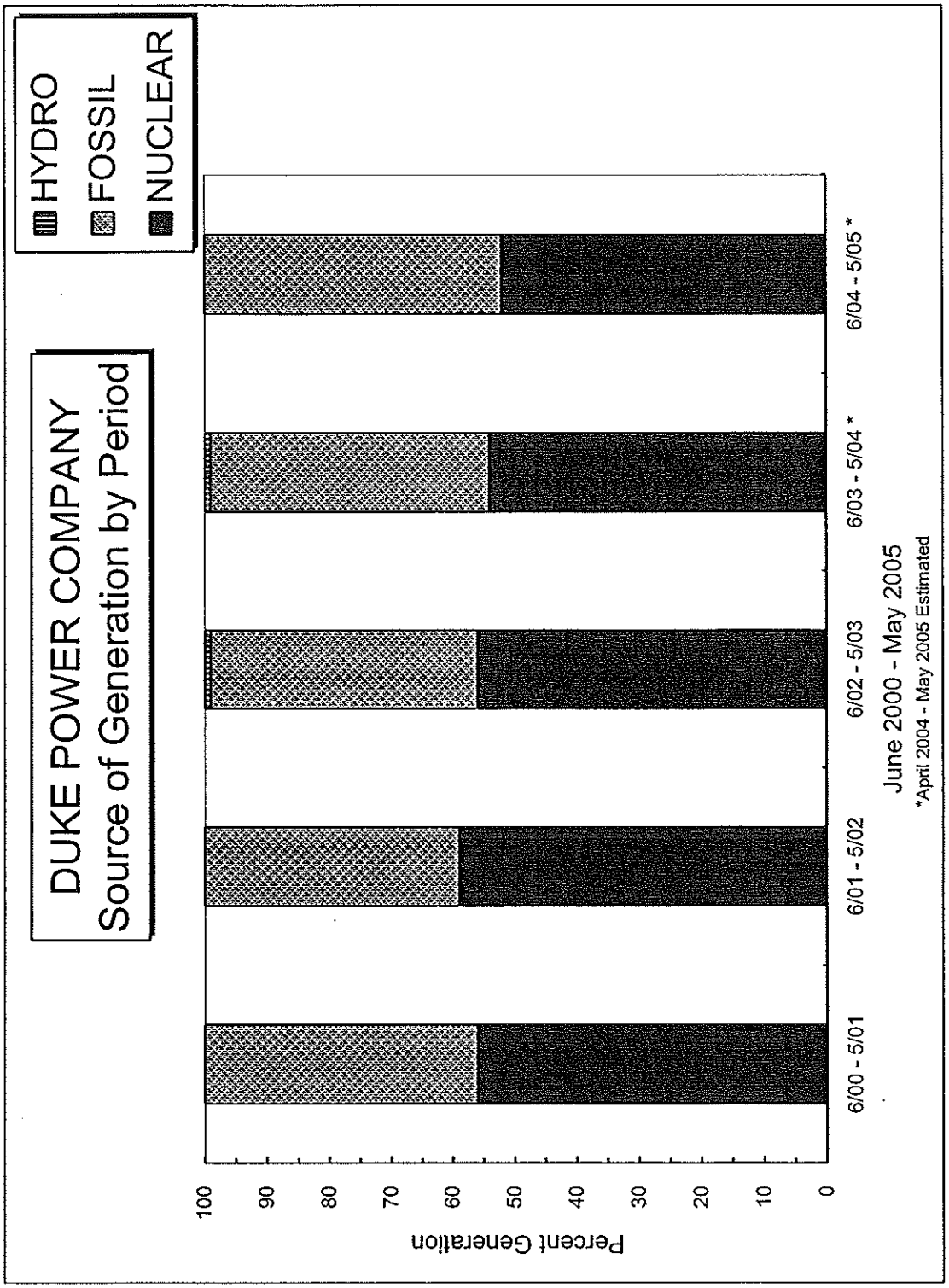
Feb_04
Mar_04

EXHIBIT
#7 AIE
(10606)



HAGER EXHIBIT 6

DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
CURRENT PERIOD FUEL COSTS INCURRED
$000

Line No.	Item	April 2003	May 2003	June 2003	July 2003	Aug. 2003	Sept. 2003	Oct. 2003	Nov. 2003	Dec. 2003	Jan. 2004	Feb. 2004	March 2004	Estimated April 2004	Estimated May 2004
1	Fossil Fuel	$42,492	$45,263	$54,760	$62,322	$71,628	$66,956	$54,186	$59,777	$70,668	$76,722	$73,427	$69,615	$66,269	$74,275
2	Emission Allowance Exp.	403	441	512	599	663	622	493	535	638	306	868	808	574	574
3	Nuclear Fuel	14,489	13,517	13,856	15,841	14,942	10,580	11,964	12,082	12,427	14,184	13,839	11,106	11,982	12,571
4	Fuel In Purchases	3,174	2,997	2,196	4,039	2,537	3,301	1,067	307	3,778	2,186	1,185	223	2,095	2,095
5	Fuel In Intersystem Sales	15,251	7,056	7,758	8,416	10,129	7,683	10,169	8,486	6,369	23,411	24,413	19,027	11,758	11,758
6	Total Costs	$45,307	$55,162	$63,566	$74,385	$79,641	$73,776	$57,541	$64,215	$81,142	$69,987	$64,906	$62,725	$69,162	$77,757
7	MWH Sales	5,471,235	5,700,038	5,958,202	6,702,805	7,085,832	7,179,603	5,491,159	5,582,292	6,431,426	6,395,389	6,507,897	6,125,438	5,605,166	5,630,179
8	Fuel Cost ¢/KWH	0.8281	0.9677	1.0669	1.1098	1.1239	1.0276	1.0479	1.1503	1.2616	1.0943	0.9973	1.0240	1.2339	1.3811
9	¢/KWH Billed	0.9500	0.9500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500
10	SC Retail MWH Sales	1,537,479	1,617,323	1,703,817	1,851,644	1,944,766	1,955,670	1,545,584	1,562,074	1,725,874	1,739,354	1,766,713	1,639,031	1,605,886	1,622,235
11	$ (Over) Under	($1,874)	$285	($1,416)	($744)	($508)	($2,394)	($1,578)	$5	$1,926	($969)	($2,698)	($2,066)	$1,347	$3,749
12	Prior Period (Over) Under	$997								($564)					
13	Cumulative (Over) Under	($877)	($592)	($2,008)	($2,752)	($3,260)	($5,654)	($7,232)	($7,227)	($5,865)	($6,834)	($9,532)	($11,598)	($10,251)	($6,502)

HAGER EXHIBIT 6

DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
PROJECTED FUEL COST 6/04 - 5/05
$000

HAGER EXHIBIT 7

Line No.	Item	June 2004	July 2004	Aug. 2004	Sept. 2004	Oct. 2004	Nov. 2004	Dec. 2004	Jan. 2005	Feb. 2005	March 2005	April 2005	May 2005	Total
1	Fossil Fuel	$88,314	$101,754	$101,252	$82,714	$78,812	$74,539	$83,640	$83,545	$69,861	$75,135	$66,401	$77,644	$983,611
2	Nuclear Fuel	13,725	14,846	14,846	14,137	12,907	12,168	12,553	14,970	13,680	12,357	12,503	14,352	163,044
3	Fuel In Purchases	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	25,140
4	Fuel In Intersystem Sales	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	141,096
5	Total Fuel Costs	$92,376	$106,937	$106,435	$87,188	$82,056	$77,044	$86,530	$88,852	$73,878	$77,829	$69,241	$82,333	$1,030,699
6	Total MWH Sales	6,549,319	7,411,557	7,792,038	7,414,163	6,107,984	5,575,942	6,270,912	6,858,704	6,501,381	5,795,517	5,680,120	6,202,499	78,160,136
7	Fuel Costs Incurred ¢/kwh	1.4105	1.4428	1.3659	1.1760	1.3434	1.3817	1.3799	1.2955	1.1363	1.3429	1.2190	1.3274	1.3187
8	SC Retail MWH Sales	1,805,662	1,974,270	2,062,621	1,963,472	1,630,308	1,576,709	1,686,078	1,788,334	1,750,647	1,593,694	1,607,249	1,620,886	21,059,930
9	SC Fuel Costs	$25,469	$28,485	$28,173	$23,090	$21,902	$21,785	$23,266	$23,168	$19,893	$21,402	$19,592	$21,516	$277,717
10	(Over)/Under On Ex. 6													(6,502)
11	Adjusted SC Fuel Costs													$271,215
12	SC Fuel Cost ¢/kwh													1.2878

HAGER EXHIBIT 7

REVISED
HAGER EXHIBIT 6

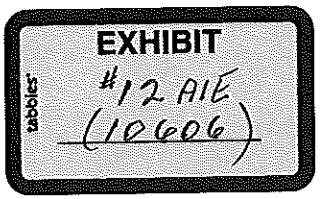
DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
CURRENT PERIOD FUEL COSTS INCURRED
$000

Line No.	Item	April 2003	May 2003	June 2003	July 2003	Aug. 2003	Sept. 2003	Oct. 2003	Nov. 2003	Dec. 2003	Jan. 2004	Feb. 2004	March 2004	Estimated April 2004	Estimated May 2004
1	Fossil Fuel	$42,492	$45,263	$54,760	$62,322	$71,628	$66,956	$54,186	$59,777	$70,668	$76,722	$73,427	$69,615	$66,269	$74,275
2	Emission Allowance Exp.	403	441	512	599	663	622	493	536	638	306	868	808	574	574
3	Nuclear Fuel	14,489	13,517	13,856	15,841	14,942	10,580	11,964	12,082	12,427	14,184	13,839	11,106	11,982	12,571
4	Fuel In Purchases	3,174	2,997	2,196	3,970	2,537	3,301	1,067	307	3,778	2,186	1,185	223	2,089	2,089
5	Fuel In Intersystem Sales	15,251	7,056	7,758	8,416	10,128	7,683	10,169	8,486	6,369	23,411	24,413	19,027	11,758	11,758
6	Total Costs	$45,307	$55,162	$63,566	$74,316	$79,642	$73,776	$57,541	$64,216	$81,142	$69,987	$64,906	$62,725	$69,156	$77,751
7	MWH Sales	5,471,235	5,700,038	5,958,202	6,702,805	7,085,832	7,179,603	5,491,159	5,582,292	6,431,426	6,395,389	6,507,897	6,125,438	5,605,166	5,630,179
8	Fuel Cost ¢/KWH	0.8281	0.9677	1.0669	1.1087	1.1240	1.0276	1.0479	1.1504	1.2616	1.0943	0.9973	1.0240	1.2338	1.3810
9	¢/KWH Billed	0.9500	0.9500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500	1.1500
10	SC Retail MWH Sales	1,537,479	1,617,323	1,703,817	1,851,644	1,944,766	1,955,670	1,545,584	1,562,074	1,725,874	1,739,354	1,766,713	1,639,031	1,605,886	1,622,235
11	$ (Over) Under	($1,874)	$286	($1,416)	($765)	($506)	($2,394)	($1,578)	$6	$1,926	($969)	($2,698)	($2,065)	$1,346	$3,747
12	Prior Period (Over) Under	$997								($564)					
13	Cumulative (Over) Under	($877)	($591)	($2,007)	($2,772)	($3,278)	($5,672)	($7,250)	($7,244)	($5,882)	($6,851)	($9,549)	($11,614)	($10,268)	($6,521)

DUKE POWER COMPANY
SOUTH CAROLINA FUEL CLAUSE
2004 ANNUAL FUEL HEARING
PROJECTED FUEL COST 6/04 - 5/05
$000

REVISED
HAGER EXHIBIT 7

Line No.	Item	June 2004	July 2004	Aug. 2004	Sept. 2004	Oct. 2004	Nov. 2004	Dec. 2004	Jan. 2005	Feb. 2005	March 2005	April 2005	May 2005	Total
1	Fossil Fuel	$88,314	$101,754	$101,252	$82,714	$78,812	$74,539	$83,640	$83,545	$69,861	$75,135	$66,401	$77,644	$983,611
2	Nuclear Fuel	13,725	14,846	14,846	14,137	12,907	12,168	12,553	14,970	13,680	12,357	12,503	14,352	163,044
3	Fuel In Purchases	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	25,068
4	Fuel In Intersystem Sales	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	11,758	141,096
5	Total Fuel Costs	$92,370	$106,931	$106,429	$87,182	$82,050	$77,038	$86,524	$88,846	$73,872	$77,823	$69,235	$82,327	$1,030,627
6	Total MWH Sales	6,549,319	7,411,557	7,792,038	7,414,163	6,107,984	5,575,942	6,270,912	6,858,704	6,501,381	5,795,517	5,680,120	6,202,499	78,160,136
7	Fuel Costs Incurred ¢/kwh	1.4104	1.4428	1.3659	1.1759	1.3433	1.3816	1.3798	1.2954	1.1363	1.3428	1.2189	1.3273	1.3186
8	SC Retail MWH Sales	1,805,662	1,974,270	2,062,621	1,963,472	1,630,308	1,576,709	1,686,078	1,788,334	1,750,647	1,593,694	1,607,249	1,620,886	21,059,930
9	SC Fuel Costs	$25,467	$28,485	$28,173	$23,088	$21,900	$21,784	$23,265	$23,166	$19,893	$21,400	$19,591	$21,514	$277,696
10	Adjustment due to Stipulation with Consumer Advocate	190												190
11	(Over)/Under On Ex. 6													(6,521)
12	Adjusted SC Fuel Costs													$271,365
13	SC Fuel Cost ¢/kwh													1.2885



1-33. If this filing includes costs resulting from recent amendments to Section 58-27-865(A) that are also included in base rates, quantify these amounts and explain the Company's proposal or plan to ensure no double recovery of such amounts.

Response:

There are no costs included in this filing that are also included in base rates.

EXHIBIT
#13 A/E
(10606)
SA-5
POSTED 5/25/04

DUKE POWER
PSCSC DOCKET NO. 2004-003-E

ACCEPTED
Legal 5-25-04

Purpose:
The following narrative is provided in response to the request of the Public Service Commission of South Carolina for information regarding a Notice of Violation (NOV) issued by the Nuclear Regulatory Commission (NRC) on April 8, 2004, and the associated imposition of a civil penalty in the amount of $60,000.

Background:
In the interest of plant safety, nuclear power plant operators are required by NRC regulations to perform analyses of various potential events, and to establish procedures which dictate actions to be taken by the operators to mitigate the effects of those events should they occur. In certain, unlikely, High Energy Line Break (HELB) scenarios, the automatic feeding of cooling water to the steam generators may be lost. In addition, the supply of borated water to the reactor coolant system may be lost. Such events would require manual initiation and alignment of cooling water to the steam generators, and the alignment of emergency power to a high pressure injection pump to facilitate borated water supply to the reactor coolant system. These actions would be required to be taken within certain time frames.

In May of 2001, Duke performed an analysis in accordance with 10 CFR 50.59[1] to determine the acceptability of lengthening the time frames allowed for these required actions. One of the actions performed as part of the Section 50.59 evaluation determines whether prior NRC approval is required for the desired change. Duke's evaluation indicated that the lengthened time frames were acceptable and that prior NRC approval regarding this change was not required. Subsequently, these time frames were incorporated into Oconee's Updated Final Safety Analysis Report (UFSAR) as discussed further below.

Issue and Timeline:
The NRC issued a letter dated April 8, 2004, to the Oconee Nuclear Station Site Vice President notifying Duke of a violation associated with an evaluation performed in support of HELB mitigation. In 2002, as a result of a periodic inspection by the NRC of the Section 50.59 program, an Unresolved Item (URI) was identified concerning the May 2001 change to the UFSAR. This change increased the time allowed for restoration of secondary side cooling to the steam generators and for injection into the reactor coolant system following certain HELB

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1 "Section 50.59 of Title 10 of the *Code of Federal Regulations* (10 CFR 50.59) defines the conditions under which reactor licensees may make changes to their facilities or procedures without prior NRC approval. The licensee determines whether a change meets the criteria of 10 CFR 50.59 and may be made without prior NRC approval. Section 50.59 is thus a regulatory threshold, determining when NRC prior approval of a change is needed, rather than a safety or acceptability test." Thompson, Hugh L., Jr. "Proposed Regulatory Guidance Related to Implementation of 10 CFR 50.59 (Changes, Tests and Experiments)" 21 May 2004, NRC website at http://www.nrc.gov/reading-rm/doc-collections/commission/secys/ 1997/secy1997-035/1997-035scy.html.

events. On March 2, 2004, Duke presented to the NRC the basis for its belief that this UFSAR change did not involve an Unresolved Safety Question (USQ), and thus did not require NRC approval prior to a procedure change. On March 23, 2004, the NRC notified Duke on a preliminary basis that it would disagree with Duke's position and had reached the conclusion that a USQ did exist and that prior NRC review and approval of this item was required. Duke was required to respond within 30 days of the April 8, 2004 NOV.

In its May 7, 2004 response to the NRC, Duke stated that it did not contest the violation. Duke also responded that it is conducting a root cause evaluation of the issues that resulted in the violation. Although Duke acknowledged the USQ determination did not meet regulatory requirements, preliminary results of the evaluation do not indicate a weak process for determining when NRC approval is necessary or a fundamental misunderstanding of that process. Based on its extensive evaluation, Duke also concluded there were no adverse safety issues associated with the change. Potential enhancements to the current determination process have been identified and are part of Duke's corrective action program. The final results and any additional corrective actions from the root cause evaluation will be submitted to the NRC following the completion of the evaluation.
Duke notified the NRC of its payment of the $60,000 penalty on May 7, 2004. The amount was accounted for as a charge to a non-utility income deduction account.

Fuel Cost Impact:
The violation described above was not a factor in any nuclear unit outage, nor did the associated penalty affect Duke Power's fuel expense accounts in any way.